

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MAY 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2703**

**Introduced by Assembly Member Quirk-Silva**

**(Principal coauthor: ~~Assembly Member~~ *coauthors: Assembly Members V. Manuel Pérez and Salas*)**

(Principal coauthor: Senator Correa)

**(Coauthors: Assembly Members Achadjian, Brown, Chávez, Chesbro, Donnelly, Fox, Frazier, Grove, Hagman, Logue, Muratsuchi, Nestande, Pan, and Wagner)**

(Coauthors: Senators Anderson, Berryhill, Block, Corbett, Hueso, Huff, Knight, Nielsen, and Vidak)

February 21, 2014

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An act to add Section 972.3 to the Military and Veterans Code, relating to veterans, ~~making an appropriation therefor~~, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2703, as amended, Quirk-Silva. County veterans service officers.

Existing law requires the Department of Veterans Affairs to disburse funds, appropriated to the department for the purpose of supporting county veterans service officers pursuant to the annual Budget Act, on a pro rata basis, to counties that comply with certain conditions. Existing law requires the Department of Veterans Affairs to annually determine the amount of new or increased monetary benefits paid to eligible veterans by the federal government attributable to the assistance of county veterans service officers, and requires the department to prepare

and transmit its determination for the preceding fiscal year to the Department of Finance and the Legislature on or before October 1 of each year.

This bill would require the department, no later than January 1, 2015, to develop an allocation formula based upon performance standards that encourage innovation and reward outstanding service by county veterans service officers. The bill would also ~~continuously appropriate the General Fund to the Department of Veterans Affairs in an amount equal to \$6,000,000 each fiscal year for disbursement to the counties~~ *declare the intent of the Legislature to fund the activities of county veterans service officers, as specified, and to provide an additional \$400,000 for disbursement to the counties to encourage innovation and reward outstanding service by these officers.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: ~~yes~~-no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     ~~SECTION 1. The Legislature finds and declares all of the~~
- 2     ~~following:~~
- 3     ~~(a) The recent conflicts in Iraq and Afghanistan are creating an~~
- 4     ~~entirely new generation of veterans who may be eligible for federal~~
- 5     ~~veterans benefits because of their war service and their physical~~
- 6     ~~and mental condition.~~
- 7     ~~(b) Californians make up to 10 percent of the federal military~~
- 8     ~~forces used in these conflicts. Furthermore, the California National~~
- 9     ~~Guard and California-based reserve units have contributed~~
- 10    ~~significantly to these current conflicts.~~
- 11    ~~(c) Many of these returning California veterans are not aware~~
- 12    ~~of the federal and state benefits that are available to them.~~
- 13    ~~(d) Additionally, it is estimated that in California there may be~~
- 14    ~~over two million veterans, and their widows or widowers, who are~~
- 15    ~~unaware that they may be eligible for pensions from the federal~~
- 16    ~~government based upon their past military service in World War~~
- 17    ~~II, Korea, Vietnam, or the Gulf War.~~
- 18    ~~(e) California's county veterans service officers (CVSOs) are~~
- 19    ~~the initial local point of contact for claimants accessing the United~~
- 20    ~~States Department of Veterans Affairs.~~

1     ~~(f) The costs of maintaining CVSOs are shared from county~~  
2 ~~general funds and state reimbursement to the counties. In 1997, in~~  
3 ~~order to track performance, the Governor signed into law Senate~~  
4 ~~Bill 608, which required the California Department of Veterans~~  
5 ~~Affairs to annually report the amount of monetary benefits paid~~  
6 ~~to veterans by the federal government that were attributable to the~~  
7 ~~assistance of CVSOs. Senate Bill 608 of the 1997-98 Regular~~  
8 ~~Session also required the Department of Finance to consider an~~  
9 ~~increase in the annual budget for CVSOs of up to \$5,000,000, if~~  
10 ~~approved in the yearly budget process. In 2009, the Governor~~  
11 ~~signed Senate Bill 419 into law, which raised this amount to~~  
12 ~~\$11,000,000, if approved in the yearly budget process.~~

13     ~~(g) As a result of this annual reporting, by the end of 2011 it~~  
14 ~~had been determined that from 1995 to 2011, inclusive, the state~~  
15 ~~had cumulatively budgeted \$36.2 million for its share of the cost~~  
16 ~~of the CVSOs. As a result of this investment, CVSOs were able~~  
17 ~~to assist local veterans in obtaining \$3.3 billion in new federal~~  
18 ~~moneys. This is a return of about \$91 for every dollar the state~~  
19 ~~allocates to CVSOs. Furthermore, \$3.6 billion only reflects the~~  
20 ~~actual monetary benefits qualified for in a given year. The monetary~~  
21 ~~benefits qualified for in prior years are not tracked, yet the veterans~~  
22 ~~and their dependents may continue to receive those benefits for~~  
23 ~~the rest of their lives. Added to this stellar return on the state's~~  
24 ~~investment, but not counted in the annual reporting, are the~~  
25 ~~Medi-Cal cost avoidance savings incurred as a result of CVSOs~~  
26 ~~qualifying and shifting veterans away from Medi-Cal and onto the~~  
27 ~~appropriate federal veterans program.~~

28     ~~(h) The CVSOs had accomplished all of this without ever~~  
29 ~~reaching the allowable state budget allocation of \$5 million, set~~  
30 ~~in 1997, or the updated allowable allocation set in 2009. To date,~~  
31 ~~the CVSOs have not received more than \$2.6 million per year from~~  
32 ~~the state.~~

33     ~~(i) It is critical that the CVSOs receive an increase in this~~  
34 ~~allocation because there continues to be a large number of~~  
35 ~~underserved veterans and their dependents who are not aware of~~  
36 ~~the federal benefits available to them as a result of their military~~  
37 ~~service. Studies from other states have shown that increases in~~  
38 ~~CVSOs have resulted in larger amounts of federal moneys to the~~  
39 ~~veterans. These new federal moneys and benefits are paid directly~~  
40 ~~from the United States Department of Veterans Affairs to the~~

1 ~~qualifying veteran or their dependent and are used in the local~~  
2 ~~economy.~~

3 *SECTION 1. It is the intent of the Legislature to fund the*  
4 *activities of county veterans service officers at the amount provided*  
5 *in the 2013–14 Budget Act and to provide an additional \$400,000*  
6 *for disbursement to the counties to encourage innovation and*  
7 *reward outstanding service by county veterans service officers*  
8 *pursuant to the allocation formula developed pursuant to Section*  
9 *972.3 of the Military and Veterans Code.*

10 SEC. 2. Section 972.3 is added to the Military and Veterans  
11 Code, to read:

12 972.3. The Department of Veterans Affairs shall, no later than  
13 January 1, 2015, develop an allocation formula based upon  
14 performance standards that encourage innovation and reward  
15 outstanding service by county veterans service officers. Moneys  
16 appropriated for this purpose shall be allocated each fiscal year in  
17 accordance with that formula among those counties that have  
18 established and maintain a county veterans service officer pursuant  
19 to Section 970.

20 ~~SEC. 3. Notwithstanding Section 13340 of the Government~~  
21 ~~Code, the General Fund is hereby continuously appropriated to~~  
22 ~~the Department of Veterans Affairs commencing July 1, 2014, in~~  
23 ~~an amount equal to six million dollars each fiscal year, to be~~  
24 ~~allocated each fiscal year as follows:~~

25 ~~(a) Five million six hundred thousand dollars (\$5,600,000) shall~~  
26 ~~be available for disbursement to the counties to fund the activities~~  
27 ~~of county veterans service officers pursuant to subdivision (b) of~~  
28 ~~Section 972.1 of the Military and Veterans Code.~~

29 ~~(b) Four hundred thousand dollars (\$400,000) shall be available~~  
30 ~~for disbursement to the counties to encourage innovation and~~  
31 ~~reward outstanding service by county veterans service officers~~  
32 ~~pursuant to the allocation formula developed pursuant to Section~~  
33 ~~972.3 of the Military and Veterans Code.~~

34 ~~SEC. 4.~~

35 SEC. 3. This act is an urgency statute necessary for the  
36 immediate preservation of the public peace, health, or safety within  
37 the meaning of Article IV of the Constitution and shall go into  
38 immediate effect. The facts constituting the necessity are:

39 Approximately 50 percent of the current General Fund  
40 appropriation in support of county veteran service offices

1 operations expires on June 30, 2014. In order to provide for  
2 continuity of services critical to the successful reintegration of  
3 California's veterans, to increase California's utilization of veteran  
4 benefits, and to ensure veteran's claims for benefits are processed  
5 in a timely manner, it is necessary that this act take effect  
6 immediately.

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